Based on pages 201-210 textbook

1. What are the major characteristics of pure monopoly?

2. What are the major barriers to entry that explain the existence of monopoly?

3. Why is marginal revenue less than price for every level of output except the first?

4. A pure monopolist determines that at the current level of output the marginal cost of production is $2.00, average variable costs are $2.75, and average total costs are $2.95. The marginal revenue is $2.75. What would you recommend that the monopolist do to maximize profits?

5. A pure monopolist sells output for $4.00 per unit at the current level of production. At this level of output, the marginal cost is $3.00, average variable costs are $3.75, and average total costs are $4.25. The marginal revenue is $3.00. What is the short-run condition for the monopolist and what output changes would you recommend?